

CHAPTER 4

SUMMARY

4.1 Introduction

The aim of this chapter is to illustrate conclusion, discussion, and recommendation derived from the research findings. A total of 392 usable surveys were collected comprising 147 long stay tourists who were traveling in Phuket and 245 expatriates who have worked in Phuket. From the study, can be discussed the result of the research purpose with 3 objectives: firstly, to gain an insight in the market for real estate by long stay tourists and expatriates in Phuket. Secondly, to identify the factor influencing the decision making process of long stay tourists and expatriates, and thirdly, to gain the information of effective real estate marketing strategies for long stay tourists and expatriates. Lastly, recommendations for marketing strategies guideline and further study on relevant topics are also mentioned.

4.2 Summary

In this study, the researcher collected data from 2 population groups, which are long stay tourists and expatriates, and real estate developer. The result can conclude as follows:

4.2.1 Conclusion of the study result from long stays tourists and expatriates in Phuket group

The data that collected from long stay tourists and expatriates are demographics, behavior, access to the information of real estate, and factors that influence long stay tourists and expatriates on choosing the real estate project.

From 147 long stay tourists sample, more than half of the samples were from the male gender with age mostly over 51 years old and come from Europe. Mostly were single, with lower than bachelor degree, unemployed/retired, earned 30,001 - 40,000 US\$ per year. While from 245 expatriates, more than half of the samples were male with age mostly from 31 - over 40 years old and come from United Kingdom. Mostly 100 single, with bachelor degree, company employee, earned 40,000 - 50,000 US\$ per year.

In consideration of tourism behavior, most of long stay tourists spent time in Thailand more than 10 - 20 weeks a year. The majority of long stay tourists live in Chalong and Rawai area, as it is quieter than any other places. They also prefer to live in this area in the future. Moreover, most of expatriates have been working in Thailand 1-5 years. The majority of them currently live in Chalong and Rawai areas. They prefer to live in Kamala and Surin areas more than Chalong and Rawai area, as it is closer to their working places. Both groups of sample like Thai style architecture and pay less than 15,000 baht per month for their rental accommodation. Whereas, many expatriates have already own the house in Phuket.

The access to the information of real estate, most of long stay tourists and expatriates got the information from friends and family, and Internet. Moreover, many expatriates also prefer to drive around to look for the property project. Below is the result of the important of marketing mixes.

Product: The overall importance level of product factors to long stay tourists' decision making in choosing the real estate in Phuket was at moderate importance level. Credibility of the developer was the highest importance level of product factors that influences long stay tourists and expatriates' decision making in choosing real estate in Phuket. While the overall importance level of product factors to expatriates' decision making in choosing real estate in Phuket was high importance level.

Price: Value for money was the highest importance level of price factors among long stay tourists and expatriates. And the average importance level of price factors for long stay tourists was at moderate, and the average importance level of price factors for expatriates was at high level.

Place: Its location by the sea or nearby was at high important level in both long stay tourists and expatriates for choosing the real estate in Phuket. And the average importance level of place factors for both groups was moderate.

Promotion: Knowledge and presentation from the sale representative was the highest importance level of promotion factors for both groups. And the average importance level of promotion factors was at moderate level.

People: In consideration of people factors, easy communication with the staff was the highest important level of people factors for both long stay tourists and expatriates. Moreover, the average importance level of people factors for both groups was at high level.

Physical evidence: For physical evidence factors, the highest importance factor in both long stay tourists and expatriates was atmosphere around the property and surrounding. And the average importance level of this factor was at high importance level.

Process: The highest importance level of process factors in both long stay tourists and expatriates was security service provided. And the average important level of this factor was at moderate important level.

The relationship between important level of marketing mix factors (7Ps) and personal factors

By using Chi-Square test and one way Anova at 5% (0.05) significance level as a tool for analyzing the relationship between important levels of marketing mix factors that are product, price, place, promotion, people, process, physical evidence, and personal factors from 147 long stay tourists respondents and 245 expatriates respondents in Phuket which included gender, marital status, age, education level, income per year, occupation and nationality/hometown. The results found that there are 15 cases of statistically significant differences at 0.05 significance level and are summarized as follows:

1. Female long stay tourists gave high important level (mean=3.89) to place than male at moderate level (mean=3.42)

2. Female expatriates rated price at high importance level (mean=4.23) than male (mean=3.83).
3. Female expatriates rated place at high importance level (mean=3.58) than male (mean=3.33).
4. Female expatriates rated person at high importance level (mean=4.31) than male (mean=4.01).
5. Female expatriates rated physical evidence at high importance level (mean=4.47) than male (mean=4.24).
6. Long stay tourists who are between 31-41 years old rated place at high importance level (mean=3.83) more than other age groups.
7. Expatriates who are between 51-60 years old rated product at high importance level (mean=4.31) more than other age groups.
8. Expatriates who are between 41-50 years old rated price at high importance level (mean=4.19) more than other age groups.
9. Married long stay tourists gave high importance level (mean=4.06) to price more than other marital status groups.
10. Long stay tourists who earn income per year more than 70,001 US\$ gave high importance level (mean=4.43) to product factors more than other income groups.
11. Expatriates who earn income per year more than 70,001 US\$ gave high importance level (mean=4.39) to product factors more than other income groups.
12. Expatriates who earn income per year more than 70,001 US\$ gave high importance level (mean=4.55) to physical evidence factors more than other income groups.
13. Expatriates who earn income per year more than 70,001 US\$ gave high importance level (mean=3.48) to process factors significantly difference more than other income groups.
14. Expatriate from Oceania rated product at high importance level (mean=4.45) more than other nationalities.
15. Expatriate from Oceania also rated physical evidence at high importance level (mean=4.54) significantly difference more than other nationalities.

4.2.2 Conclusion of the study result from real estate developer

The researcher collected 44 questionnaires from each real estate developers, which have its target market as long stay tourists and expatriates, and provide the accommodation per unit of more than 10 millions baht. The data that collected are the development type, advertisement method, and factors that influence long stay tourists and expatriates on choosing the real estate project.

From 44 real estate developers, many real estate projects are located at Kamala, Chengtalay and Surin, and Phuket town and Kathu areas. The majority type of property are single house and Villa (72.27%) with the price of 10.1 - 30 millions (81.82%). More than half of the qualified real estate developments have modern architecture style. Most of the development employed their advertisement method by property show and Internet.

For the product factor, credibility of the developer was at the highest importance level (mean=4.59) of product factors that real estate developers' thought influenced their customer decision making in choosing real estate in Phuket. And the average importance level of product factors to real estate developers in Phuket was at high importance level.

Furthermore, value for money was at the highest importance level (mean=4.68) of price factors among real estate developers. And the overall importance level of price factors for real estate developer was at high importance level. For place factors, the convenience of transportation and its location by the sea or nearby were rate at a high important level that real estate developers' thought influenced their customer decision making in choosing real estate in Phuket. And the overall importance level of place factors for real estate developer was at moderate importance level.

In promotion factors, knowledge and presentation from the sale representative was rated at high importance level (mean=4.23) of promotion factors for real estate developers. And the overall importance level of promotion factors was high level. In consideration of people factors, efficient/courteous service staff was at the highest important level of people factors for real estate developers. Moreover, the overall importance level of people factors was at high level.

For physical evidence factors, the highest importance factor was general appearance of the property. And the overall importance level of this factor was at high importance level (mean=4.50). Finally, the highest importance level of process factors for real estate developers was security service provided. And the overall important level of this factor was at high importance level (mean=4.11).

In conclusion, the real estate developers' thought most important factors influenced their customer decision making in choosing real estate in Phuket were place, product and price in order.

4.3 Discussion

4.3.1 Objective 1 To gain an insight in the market for real estate by long stay tourists and expatriates in Phuket

Phuket Island is one of Asia's most desirable dream home destinations, with magnificent scenery, stunning beaches, diving reefs, as well as some of the world's most exclusive recreational facilities including spas, world class golf courses, marinas and a wealth of fine restaurants and shops. Phuket has established itself as a world class tourist destination and has been renowned as one of the fastest growing property market in Asia but it now faces the possibility of falling behind as other destinations open up their resort property markets. Hence, the real estate developers need to develop new products and services to match the expectations of their purchasers. From the finding, many long stay tourists and expatriates want beachfront property, of either condominium or villa types, which are provided high standard property management. One solution to resolve this concern is to develop residential units for sale in conjunction with a hotel operator so that property owners can leverage on the marketing and management skills of the hotel operator while entitled to the full range of hotel services.

It found that Hong Kong buyers account for about half of all luxury property sales in Phuket, with the rest mainly coming from Europe. But since it's much more difficult and expensive to hold road shows or advertise in Europe, Hong Kong is the obvious place to launch a

project. Hong Kong residents are also looking for an escape as more pollution seeps across from industrial zones in Southern China. For those who can afford it, a direct flight to Phuket's clean air, beautiful sea and laid-back lifestyle is an appealing way to flee the hectic urban center (Kate, 2007). Moreover, potential future demand in Phuket property market will likely come from within the region such as China, Singapore and Hong Kong. The real estate market in Phuket will become more competitive as a growing number of countries start to target this market, such as Vietnam where developers such as Banyan Tree and Laguna are developing residential products targeting foreigners looking for retirement and/ or second homes.

Land prices have been increasing in Phuket during past few years. The buyer expects to pay around 2 million baht per rai in south coast Phuket and around 3-4 million baht in west coast of Phuket. Nevertheless, land price along the coastline can be very expensive above 10 million baht per rai. There are a lot of properties for sale around the island. The price starts from 1.5 million baht up to high end market at 50-150 million baht. The research found that there were 608 units of luxury resorts in Phuket launched in 2004-2005, 431 units were sold prior to the tsunami, 61 units were sold during January-April, 2006 and 110 units were sold during May-December, 2006. An average property price was 15,749,038 baht, making the total value of the development during 2004-2005 9.254 billion baht (Pornchokchai, 2006).

As the global competition of real estate for long stay tourists and expatriates are getting competitive, Thai governments should examine ways to lower the bar on foreign property ownership, provide financing for foreign property purchasers and offer new visa rules, which are directly linked with property investment. The key to Thailand maintaining its position as Asia's leading resort property market will be a combination of thoughtful environmental control and less restrictive ownership regulations with greater foreign quota available for the sale of condominiums, provision of leasehold terms with lengths of up to 90 years and permission granted to foreign purchasers to finance property acquisitions.

4.3.2 Objective 2 To identify the factors influencing the decision-making process of long stay tourists and expatriates

From the literature review, young and old people had more free time for traveling (Mill&Morrison, 1992) is supported the findings that the majority of long stay tourists in Phuket are people mostly over 51 years old and partly below 30 years old as well as unemployed/retired accounted for 41.50% of long stay tourists. The reason is that young people would like to explore and go to new places, whereas, old people who are normally already retired would like to take a long vacation and learn something new during their annual vacation (Natthakan, 2005)

The majority of long stay tourists and expatriates live at Rawai and Chalong areas as it is quiet than other parts of Phuket and also near by the beach. The most preferable place to stay for long stay tourists is still Rawai and Chalong areas, whereas, expatriates thought that the most desire place to stay nowadays is Kamala and Surin. From the literature review, Kasikorn Research Center survey (2006) showed that the key factor to the purchasing decision is location of projects. As we can see that people will choose the location of the property to satisfy their need. Long stay tourists will want to relax and stay close to the beach, whereas, expatriates will want the accommodation where is nearby their working place and out of traffic problem.

The favorite style of architecture for long stay tourists and expatriates is Thai style. Therefore, the developer should emphasize on Thai style as to satisfy the need of the customer. The majority of long stay tourists and expatriates pay less than 15,000 baht per month for their rental accommodation. Most of them stay in the apartment or rental house. Whereas, 53 percents of expatriates have already purchased the house in Phuket. Most of them are the company owner who has their income of 70,000 US\$ per year. This can be explained by Maslow's hierarchy of needs as people firstly wants the physiological need which are shelter, cloths and food. Then their purchasing behavior will be persuaded by secondary motive of safety needs, social needs as to associated with others and esteem needs for fulfillment of ego and status (Chon and Sparrowe, 2000). That is one of the reasons why the real estate developer should target their market to the business owner who has high income.

From the theory of consumer's buying behavior by Kotler (2003), it stated that consumer's buying behavior also influences by social factors as the reference groups, family and social roles and statuses. These have supported the finding of how long stay tourists and expatriates found real estate information in Phuket. Most of them found the information by word of mouth as from their friends and relative and driving around. Therefore, the real estate developer should emphasize more on customer after sale service by making the present customer happy with their product.

From the findings, we found that the important factor that effect long stay tourists and expatriates in choosing real estate in Phuket are the same. The most important factor for both groups is place, price, product, physical evidence, person, process and promotion respectively which conforms with the finding of Patcha (2005) that the factor influencing on apartment selection in Kathu district of Phuket are place, price and product. The finding is also agreed with the Tanom (2004) that the factor influencing high class and medium class income in choosing the apartment in Bangkok are place, price and product.

The study also showed that the most important product factors for long stay tourists and expatriates in choosing the real estate in Phuket is credibility of developer. Most of them thought that the project with high credibility is more reliable and secure their investment. These have supported the beliefs and attitudes from Frederick Herzberg model that a belief is a descriptive thought that a person holds about something. People's beliefs about a product or brand influence their buying decision (William, 1966). From the literature review, Kotler and Gertner (2002) stated that all successful brands have social, emotional and identity value to users: they have personalities and enhance the perceived utility, desirability and quality of a product.

The most important price factor is value for money. Whereas, expatriates emphasizes in this factor more than long stay tourists. Besides, married or female are also interested in price factors. The most important place factor is its location by the sea or nearby. Moreover, long stay tourists are more interested this factor than expatriates. Natthakan (2005) stated that sea, sun and sand have always been popular with the international tourists, especially snowbirds group who come from cold countries during their winter season. One of the latest major growth markets are the USA and northern Europe who were inspired by climatic motivation which normally are dominated by older people.

The most important promotion factor is knowledge and presentation from sale representative. Expatriates and female are more interested this factor than long stay tourists and male. Therefore, the real estate company should make sure that their sale staffs fully understand the project, well presented as well as can speak foreign language fluently. This is because easy communication with the staff is the most important person factor. Therefore, if the real estate companies hire the staff, who can speak several foreign languages, it will be benefit to the company later on. The result also showed that long stay tourists thought that easy communication with the staff is highly important than expatriate. As we can see that the majority of long stay tourists have their education level lower than bachelor degree, therefore, they might not all speak fluently in English and prefer someone to talk in his or her own language.

The most important physical evidence factor is atmosphere around the property and surrounding. Furthermore, the result showed that female expatriates with income of more than 70,000 US\$ are more interested in physical evidence factor than male expatriates as well as expatriates who come from Australia and New Zealands. Finally, the most important process factor is safety and security for both long stay tourists and expatriates groups. Moreover, safety is the second needs of human needs (from Maslow's theory "hierarchy of needs). People want to satisfy their needs and safety is the second important of basic need. Even the property looks very beautiful and is situated in a stunning location, but it is not worthwhile to purchase if it is not safe enough to stay. Expatriates with family emphasize in safety than others.

Furthermore, the factor influencing long stay tourists and expatriates in choosing the real estate in Phuket is also different by personal factor, which are people who has high education level and high income are interested in overall marketing mix factors than people who have low education level and low income. This is because people with high education and high income highly expect the quality of product and services, as they want to satisfy their need. Moreover, the accommodation can also express their status.

4.3.3 Objective 3 To propose effective marketing strategies for real estate developer targeting long stay tourists and expatriates.

The findings showed that the majority of real estate projects are located at Kamala, Surin and Chergtalay area. The real estate developer choose try to attract expatriate as their target market as the result from long stay tourists and expatriates revealed that Kamala, Surin and Chergtalay is the preferable area for them to purchase the real estate. Moreover, the development in Chalong and Rawai areas should attract long stay tourists market to purchase their second homes in this area as this specific group prefer quiet, sea, sun and sand with affordable price.

The real estate product is intangible so that consumer cannot experience it and try it before they decide to buy. Therefore, the real estate developer will need to encourage their target market to purchase the product on the basis of an image and information. According to this study, most of real estate developer employed its advertising methods by Internet and property show. In contrast, majority of long stay tourists and expatriates found the real estate information from their friends and family, Internet and driving around by themselves.

Therefore, the real estate developer might reconsider about their advertising methods by property show as it is costly and less effective. The Internet is one of the most effective way but it should be easy to access, various information and interactive possibly. Moreover, the developer should always create a pleasant look in and around the developing area as both long stay tourists and expatriates also prefers to drive around and get their feeling with the property before making the decision. Hence, the marketer should consider the advantage, limitation and cost before choosing the advertising methods.

From the findings, the result showed that the important factor for real estate developer is place, product, price, physical evidence, process, promotion and person respectively. Whereas, the important factor that effect long stay tourists and expatriates in choosing real estate in Phuket is place, price, product, physical evidence, person, process and promotion respectively.

From this study, we can see that real estate developer underestimates the value of price and person factors. In this case, the real estate developer should concentrate more on price factor. The groups of market, which are interested in price factor, are expatriates, female, married and with age 41-50 years old. Moreover, the group of market that they should be regarded for person factors are female expatriates.

From the study of important level of marketing mix factors (7Ps) for real estate developer and comparing to the long stay tourists and expatriates, the result showed as below.

Product factors: Credibility of the developer was the highest importance level of product factors that real estate developers' thought influenced their customer decision making in choosing real estate in Phuket which is same result from long stay tourists and expatriates in Phuket.

Price factors: Value for money was the highest importance level of price factors among real estate developers, which is also the same result from long stay tourists and expatriates in Phuket.

Place factors: The convenience of transportation was the highest importance level of place factors for real estate developer, whereas, the long stay tourists and expatriates thought that its location nearby sea was the highest important. In this case, we can see that both long stay tourists and expatriates prefer to live nearby the seaside, especially, long stay tourists group. Any development nearby seaside or lake would sell its property better than the development where far from the seaside. Therefore, the property location is one of the most important marketing strategies for each develops.

Promotion factors: In promotion factors, knowledge and presentation from the sale representative was the highest importance level of promotion factors for real estate developers the same as the result from long stay tourists and expatriates.

Person factors: In consideration of person factors, efficient/courteous service staff was the highest important level of people factors for real estate developers. In contrast, foreign language speaking staff was the highest important level of people factors for long stay tourists and expatriates. Johan (2007) noticed that many developers have been focusing on Hong Kong, Singapore and UK customers and also that although most Scandinavians speak great English they prefer to buy from fellow Scandinavian agents. Therefore, the real estate company should make sure that their sale representatives know their product well, understand legal matters and communicate well.

Physical evidence factors: For physical evidence factors, the highest importance factor was general appearance of the property, which is the same result of long stay tourists and expatriates in Phuket.

Process factors: The highest importance level of process factors for real estate developers was security service provided, which is the same result of long stay tourists and expatriates in Phuket.

Therefore, the more marketers know about the factors affecting their customer's buying behavior, the greater their ability to design attractive product and service offering, to define and target meaningful market segments, and to develop marketing programs to fit the concerns and desires of those segments (Walker, 2005).

4.4 SWOT Analysis of Real Estate in Phuket

4.4.1 Strengths

Location within the region: Phuket is Thailand's largest and most beautiful island (Phuket Tourism, 2006). It is surrounded by 32 smaller islands. Its natural charm and beauty combined with a superior geographic location has attracted many foreign investors to own the property in this beautiful island.

Economic resilience: Even Thailand had the difficulty with economic failed in 1997 and Tsunami in 2004 but the real estate market throughout the island has seen prices in respect of land and properties increase over the last five years.

Cash market: Most property sales are transacted in cash. Some developers offer their clients lines of credit from financial institutions outside Thailand.

Domestic infrastructure: The domestic infrastructure, such as electricity, water supply and telecommunications are well established in Phuket. Moreover, the transportation network is easy and has been expanding many new domestic routes, which allow Phuket easy to access to the whole island.

Variety of consumer choices: There is a huge range of size, price, design, architecture, qualities and location of properties in Phuket.

Quality construction: The vast majority of their developments have been carefully planned with designs that equal and often surpass similar projects anywhere in the world, comparing the cost of luxury accommodation in Phuket with similar location.

Established developers: At the present, there are about 63 international-grade developments already in place, which buyers can see other projects completed by developers.

Lifestyle: Phuket is offering a luxurious tropical lifestyle at very affordable prices. There are white sand beaches, aquamarine seas, jungle, waterfalls and marinas.

Pricing: People can holiday or retire in a villa with private pool, cook, housekeeper and driver at an average cost of living about a third of the UK prices. From an THB 8 million condominium, minutes away from the beach to an exclusive seaside villa. Phuket's properties sell at a fraction of Mediterranean prices on a direct property-for-property comparison.

4.4.2 Weaknesses

Zoning: Zoning laws pertaining to density, elevation and roof height have only been introduced over the past 5 years. While buyers cherish these laws, there is little information available as to how they are implemented and penalties for evasion are not clearly defined.

Monsoon: Heavy downpours during the months of August - November may slow down construction to some extent. There also power cuts in some areas during the wet months.

No freehold for foreigners: Under Thai law, foreigners cannot own land but the foreigners can establish a company with 51% Thai ownership, by investing US\$1 million in Thai securities like stocks or companies or by getting specific approval from the Thailand Board of Investment (BOI).

No financing for foreigners: The Bank of Thailand has always maintained a specific directive: no loans to foreigners without work permits. However, some local banks issue loan to foreigners through his/her established company or foreigners, who have Thai partner. Moreover, the Bangkok Bank has announced an initiative available from its Singapore branch, which will enable foreigners to attain financing for leasehold landed property.

Phuket International Airport: It needs to expand its runway in order to take advantage of the emerging European market. The runway cannot support the amount or size of crafts that fly direct from Europe.

Traffic: Traffic is becoming more congested in certain areas of the island. However, many main roads and arteries are currently being widened but some commercial districts like Phuket Town and Patong seems difficult to handle the traffic problem as the space is limited.

4.4.3 Opportunities

Low Cost Airline: The growth of low cost airline carriers such as AirAsia, Tiger, Nok Air and Jetstar, has helped to revitalize tourism in Phuket. Direct flights to Phuket from Australia are already operating, Dragon Air is resuming service with direct daily flights to Hong Kong and there are plans underway for direct flights to the Middle East in 2007.

World standard medical services: Phuket offers excellent medical services for a fraction of the costs of western institutions such as Bangkok Phuket Hospital and Phuket International Hospital. Furthermore, Thailand's largest international hospital Bungrumrad Hospital in Bangkok claims that in 2004 it treated 350,000 foreigners, mainly European and Middle-Eastern patients.

Location: Phuket's location in the South-East Asian region is convenient for its major buyer group. Phuket lies within five hours flying time of 32% of the world's population. It is also connected to Asia's biggest hub, Bangkok by way of numerous domestic flights daily.

Rental yield: Phuket enjoys significant yields from the short-term rental market during the peak tourist seasons. Rental yields are high and instant but confined to certain times of the year. A property with sea views can yield up to 8%; without sea views, 4-5%. Many developments offer rental management as part of the after-sales service package; they market the properties to holiday makers, handle all the reservations, pick-ups, concierge services etc.

Retiring baby boomers: The number of retiring baby boomers has positive impact to tourism and real estate market in Phuket as those people have been looking for second homes or retirement home, where they can enjoy their lifestyle and provides cheaper cost of living than their own country.

4.4.4 Threats

Uncertainty and political instability: There are concerns and uncertainties in Thailand property market today such as the Foreign Business Act, the reserve requirement on short-term capital flow, property rights for foreigners, and quasi-legal buying of hilly land in resort destination.

Currency / Economy: The threats to the Phuket property market are similar to those in any country. The main threats to any market are currency and economy.

Over zealous development

There is some fear among property experts that it is all happening too fast and that the development of infrastructure cannot maintain the pace.

High competitions: Bali and Malaysia are re-emerging as a formidable opponent, providing lifestyle and investment opportunities of equal proportions to Phuket.

Natural disasters: The Asian tsunami was the biggest disaster on the island. While there was no significant physical damage reported to residential developments, events like these send ripples of concern through the investment market, which is heavily reliant upon tourism.

Risk of terrorist attacks: There is also a danger of negative impacts of terrorist attacks in the region to property market and tourist industry in Phuket. Especially, the conflict between religious adherer in the southernmost part of Thailand could lead negative impact toward Phuket tourism and expatriate and long stay tourists' decision making in order to purchase the property in Phuket. Therefore, the government and real estate developer should have continuity plan regarding this issue.

4.4.5 Summary of SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ● Location within the region ● Economic resilience ● Cash market ● Domestic infrastructure ● Variety of consumer choices ● Quality construction ● Established developer ● Lifestyles ● Pricing 	<ul style="list-style-type: none"> ● Zoning ● Monsoon ● No freehold for foreigners ● No financing for foreigners ● Phuket International Airport ● Traffic
Opportunities	Threats
<ul style="list-style-type: none"> ● Low cost airline ● World standard medical services ● Location ● Rental yield ● Retiring baby boomers 	<ul style="list-style-type: none"> ● Uncertainty/Political instability ● Currency/Economy ● Over zealous development ● High competitors ● Natural disasters ● Risk of terrorist attacks

4.5 Recommendations

4.5.1 Recommendation of Marketing Strategies for real estate developers

In accordance to the result of the study, the researcher would like to recommend suitable marketing guideline for real estate developers in Phuket. The recommendations are presented in regards to each of the seven marketing mix factors as follows.

1. Product: The real estate developer should target its marketing strategies targeting for long stay tourists and expatriates by market segmentation as different groups of buyers have different needs, characteristic, or behavior that might require different marketing mix. This will help the real estate developer build the right relationship and provide the right product to each target customer. The researcher suggested that the real estate developers could group its market by geographic segmentation as the result of the study found that most long stay tourists and expatriates come from Europe, USA & Canada and Asia. The other effective way to segment the target group is by demographic segmentation. This divides the market into groups based on variables such as age, gender, family size, income, education and nationality etc. This will help the real estate developer to understand its target customer better and deliver more customer value. For example, the respondent recommends that Koreans are accustomed to living in modernized homes so they have a basic requirement for such as Internet, car parking and modern interior design.

Moreover, the real estate developer should differentiate and position itself as providing superior value. This will help the real estate developer gain a competitive advantage over its competitors. The researcher suggests that the real estate developer should emphasize its position on quality and differentiate its product on sustainable development. The study found that many long stay tourists and expatriates are seeking quality and sustainable development. For example, the respondent commented that the real estate developer should take care of the natural environment, reduce use of cemented areas and do not cut down local trees.

Furthermore, the result of the study also showed 4 cases of statistically significant differences at 0.05 significance level on product factors for expatriates who are between 51-60 years old, long stay tourists and expatriates who earn income per year more than

70,001 US\$ and expatriates from Oceania. Therefore, the real estate developer should maintain its credibility and make sure that these groups of product factors which are good interior design and house layout, size and space of accommodation, telephone line connected to high speed internet, enough parking, swimming pool and garden area are provided to 4 groups of customer. Therefore, understanding the demand and expectation of long stay tourists and expatriates will aid the success of the real estate developers business in Phuket.

2. Price: The study found that most respondents concentrated on value for money. Therefore, the real estate developer should set up a reasonable price by relying on the demand of target market and value-added services as the main factors. For example, the additional charges like maintenance of common areas, gardening, water, electricity, housekeeper, and additional services should not be overpriced. Moreover, the result of the study also showed 3 cases of statistically significant differences at 0.05 significance level on price factors for female expatriates, expatriates who are between 41-50 years old and married long stay tourists. Therefore, the real estate developer should set the reasonable price and provide favorable payment term and finance if possible to this group of customer.

The researcher also likes to recommend segmented pricing strategy by location where real estate developer can charge different prices for a different location. This will help the real estate developer increase profitability and accommodate the need of long stay tourists and expatriates. For example, a property with sea views is more expensive than one with garden view. Furthermore, the real estate developer should not use a discount price strategy like general products and the setting price should be same for both Thais and foreigners customers.

3. Place: The study found that most of respondents preferred to stay in Rawai, Chalong, Kamala and Surin areas. Therefore, this area would be a good investment for both Thais and foreigners. As foreigners are not able to legally own land in Thailand themselves, therefore, Thais could consider building rental homes for long stay tourists and expatriates around these areas, as they also prefer to live by the sea or nearby. Moreover, the result of the study also showed 3 cases of statistically significant differences at 0.05 significance level on place factors for female expatriates, female long stay tourists and long stay tourists who are between 31-41 years old. Therefore, the real estate developer should emphasize on basic location factors such as

the convenience of transportation, the location near by the community, shopping mall and customer's working place to these specific group.

4. Promotion: The real estate developer should decide how much to spend for promotion. The most popular approaches are to spend what the company can afford, to use a percentage of sales or to base promotion on competitors' spending. Then the real estate developer can divide its budget to several powerful promotional tools, which are suitable for their project. The survey showed that most luxury real estate developers in Phuket use property shows to communicate to the target market, but the study of respondent's behavior found that many long stay tourists and expatriates found the information about their accommodation from family and friends, Internet and driving around. Therefore, the real estate developer should emphasize more on maintaining their good reputation, creating customer loyalty, visible advertising or branding property and building a good atmosphere around and inside the property at all times as many long stay tourists and expatriates prefer to drive around themselves.

Moreover, it should have an effective website which is fast, accurate, a good search facility and provides enough information about the project and services provided, and at the same time have the sales pitch to sell the product. Furthermore, the researcher would like to suggest that the real estate developer should concentrate more on public relations which can be very effective and economical. It can also reach many prospects who avoid salespeople and advertisements. For example, the respondents commented that there should be less billboard advertising and stop producing glossy brochures with pretty pictures and little information.

5. Person: The result of statistically significant differences at 0.05 significance level showed that female expatriates rated people at high importance level. Therefore, the real estate developer should make sure that their staff are professional speak foreign languages and be polite and courteous. It should be convenient for the customer to contact the company staff. One of the expatriate females commented that the real estate developer needs to make sure that the staff understands all aspects of the property and the law so they can explain this to the customer clearly. This also requires a high level of English language skills.

Moreover, the staff should be well-trained professionals who work to build and maintain long-term customer relationships. Therefore, the company should also provide various

training programs to their staff such as language skills, selling techniques, interpersonal skills, updated real estate information regarding property, laws and regulations. Furthermore, the staff should have good service minded and be honest.

6. Physical evidence: The study showed that physical evidence factors which are, atmosphere around the property and surroundings and general appearance of the property, is very important to long stay tourists and expatriates in choosing the real estate in project. Moreover, the result of the study also showed 3 cases of statistically significant differences at 0.05 significance level on physical evidence factors for female expatriates, expatriates who earn income per year more than 70,001 US\$ and expatriates from Oceania. Therefore, the real estate developer should maintain attractiveness of its project design, decoration and surroundings at all times so to gain attention from these specific groups.

7. Process: The study found that security service provided is the most important process factors for long stay tourists and expatriates in choosing the real estate in Phuket. Therefore, the property developer should consider security when designing housing and provide good safety locks. The properties should also provide 24 hour security guard service and CCTV cameras through the property site.

Moreover, the result of statistically significant differences at 0.05 significance level showed that expatriates who earn income per year more than 70,001 US\$ rated process at very high importance level. Therefore, the real estate developer should ensure that their property provide security services, cleaning services, maintenance services, and additional services such as access to a fitness center, spa, restaurants etc.

4.5.2 Recommendations for the government and provincial

Tourism Thailand has been promoting long stay tourists as it is linked to the health and holidays concept. Both long stay tourists and expatriates are a high level niche market, which brings increased revenue to many different tourism activities. Therefore, the government should actively support long stay tourists and expatriates in regards to ownership of real estate

issues. The researcher would like to offer these recommendations based on the result of the study as follows:

1. The government should develop and promote the good image of Phuket by conducting advertising and public relation campaigns to increase good consumer perception in Phuket's image as a friendly and safe city for long stay tourists and expatriates.

2. The government should make a clear understanding of the situation in Thailand to other countries and give more confidence to the investor in purchasing and investing in Thailand.

3. The local government should increase the efficiency of infrastructure, expand the transportation capability throughout the island and increase supporting services for long stay tourists and expatriate such as developing a real estate center, which is a partnership between government and real estate developers in order to facilitate the real estate news to long stay tourists, expatriates, real estate develops and local people. Moreover, it should create a Phuket real estate official website to respond to any enquiries regarding to real estate matters.

4. The local government should educate local people about the tourism, foreign language skills and increase their awareness of being a good host.

5. The local government should shorten and simplify the process for transferring land and provide visa support for long stay tourists and expatriates.

6. The local government could create special events for repeat tourists and to increase expatriate's life style such as Asia's Expat Golf Tournament.

7. The tourism related organizations should produce a brochure and tourism manual, which provides information to long stay tourists and expatriates who own property in Phuket.

4.6 Recommendation for Further study

The result of this study provided the general facts and information on broad marketing strategies for real estate developers targeting long stay tourists and expatriates in

Phuket. To make it more accurate, the researcher would like to recommend for further study as below:

1. It is recommended that each type of property such as house, townhouse, condominium, serviced apartment etc. should be studied in more detail and specifically for what factors contribute to the decision of long stay tourists and expatriates to purchase or to rent each type of property. This is because each type of property is different in nature and style.

2. It should study the impact of foreign real estate market towards the local community.

3. Laws and limitations in real estate ownership for foreign investors should be studied. Foreign investment needs to be encouraged and a solution must be a well-planned policy that specifically dissuades speculation but allows genuine inflows of capital for trading and asset-based investment that includes property investment (Philips, 2006)

4. From the questionnaire of this thesis, the promotion should be divided into advertising, sales promotion, public relations, personal selling and direct marketing. This will help the researcher collect more accurate results for the study.